

1 **INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND TITLE.**

3 A. My name is Kelley O'Connor. My business address is 160 East 300 South, Salt Lake
4 City, Utah 84114. I am a Utility Analyst for the Utah Division of Public Utilities
5 ("Division").

6 **Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EDUCATION.**

7 A. I have a B.S. in Economics and a J.D. from Baylor University. I have a background in
8 financial analysis working in the private sector.

9 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
10 **COMMISSION OF UTAH?**

11 A. I have submitted written testimony on behalf of the Division in Docket No. 25-057-20.

12 **SUMMARY OF THE DIVISION'S POSITION**

13 **Q. PLEASE PROVIDE SOME BACKGROUND ON THIS DOCKET.**

14 A. On August 25, 2025, Gunnison Telephone Company ("Gunnison") and Lynch
15 Telephone Corporation X ("Lynch") entered into a Stock Purchase Agreement
16 ("SPA") in which Lynch acquires the entirety of voting stock from Gunnison
17 shareholders. On December 11, 2025, Gunnison and Lynch, as Joint Applicants filed
18 an application with the Public Service Commission of Utah ("Commission") seeking
19 approval of the stock acquisition under Utah Code section 54-4-29.

20 The Joint Applicants filed the direct testimonies of Stephen J. Moore, Brad Welch,
21 and Howard James Sanders in support of the application on December 18, 2025. In
22 January 2026, the Division and Joint Applicants engaged in good faith, arm's length
23 negotiations to reach a settlement of the issues presented in this docket. These
24 negotiations led to the agreement reflected in the Settlement Stipulation
25 ("Stipulation") that was filed with the Commission on January 26, 2026.

26 **Q. HOW DID THE DIVISION EVALUATE WHETHER THE ACQUISITION IS IN THE**
27 **PUBLIC INTEREST?**

28 A. The Division reviewed the joint application, LICT Corporation 2024 annual report
29 (Lynch's parent corporation), SPA, joint applicant's direct testimonies and data
30 request responses and analyzed how service and costs will be affected by the
31 transaction.

32 The Division considered service aspects such as the type of service that Gunnison
33 customers currently have and will receive post transaction. Customers will continue
34 to receive telecommunication services without interruption or immediate changes to
35 rates, terms, or conditions;¹ customers will have access to additional service
36 technicians who will work from the Gunnison office to facilitate prompt maintenance;²
37 customers will continue to benefit from Gunnison's knowledge and experience
38 through the retention of staff;³ and the transaction will allow for technical network
39 improvements to provide customers with increased speeds and reliability.⁴

40 Cost considerations include Gunnison operating expenses, access to financial
41 resources, and other associated costs. The transaction will result in the reduction of
42 overhead and operational costs associated with Gunnison,⁵ [REDACTED]
43 [REDACTED], possibly leading to a decrease in
44 future Utah Universal Service Fund funding. Also, Lynch's acquisition will lead to
45 Gunnison becoming part of a larger corporate group within Utah and allow for
46 greater financial stability.⁶

¹ Joint Application at 2.

² Direct Test. of Brad Welch at 10:180-82.

³ *Id.* at 10:173-76.

⁴ Direct Test. of Stephen J. Moore at 8:144-46.

⁵ *Id.* at 9:149-57.

⁶ Joint Application at 9.

47 **Q. PLEASE SUMMARIZE THE DIVISION'S POSITION REGARDING THIS**
48 **STIPULATION.**

49 A. The Division concludes that the Stipulation is just and reasonable in result and that
50 the evidence in the record in this proceeding supports a finding that the settlement
51 proposal is just and reasonable in result. The Division made this determination
52 based on its evaluation of the evidence available to it and the terms and conditions
53 of the Stipulation. The Division supports Commission approval of the Stipulation and
54 finds that it is in the public interest.

55 **CONCLUSION**

56 **Q. WHAT IS THE DIVISION'S RECOMMENDATION?**

57 A. The Division has performed its investigation and analysis of the impact the
58 acquisition will have on service and costs for Gunnison and its customers and has
59 reviewed the terms and conditions of the Stipulation. The Division finds that the
60 Stipulation resolving the issues in this docket is just and reasonable in result and in
61 the public interest. The Division recommends the Commission approve the
62 Stipulation.

63 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

64 A. Yes, it does.